



## Office of Foreign Assets Control

### Publication of Russian Harmful Foreign Activities Directive 1

**AGENCY:** Office of Foreign Assets Control, Treasury.

**ACTION:** Publication of directive.

**SUMMARY:** The Department of the Treasury's Office of Foreign Assets Control (OFAC) is publishing a Russian Harmful Foreign Activities Sanctions Directive in the *Federal Register*. The Directive was previously issued on OFAC's website.

**DATES:** Directive 1 was issued on April 15, 2021 and the prohibitions therein take effect on June 14, 2021.

**FOR FURTHER INFORMATION CONTACT:** OFAC: Assistant Director for Licensing, 202-622-2480; Assistant Director for Regulatory Affairs, 202-622-4855; or Assistant Director for Sanctions Compliance & Evaluation, 202-622-2490.

### SUPPLEMENTARY INFORMATION:

#### Electronic Availability

This document and additional information concerning OFAC are available on OFAC's website [www.treasury.gov/ofac](https://www.treasury.gov/ofac).

### Background

On April 15, 2021, the President, invoking the authority of, *inter alia*, the International Emergency Economic Powers Act (50 U.S.C. 1701–1706) (IEEPA), issued Executive Order (E.O.) 14024 (86 FR 20249, April 19, 2021).

In E.O. 14024, the President found that specified harmful foreign activities of the Government of the Russian Federation—in particular, efforts to undermine the conduct of free and fair democratic elections and democratic institutions in the United States and its allies and partners; to engage in and facilitate malicious cyber-enabled activities against the United States and its allies and partners; to foster and use transnational corruption to

influence foreign governments; to pursue extraterritorial activities targeting dissidents or journalists; to undermine security in countries and regions important to United States national security; and to violate well-established principles of international law, including respect for the territorial integrity of states—constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States and declared a national emergency to deal with that threat.

Also on April 15, 2021, the Acting Director of OFAC issued Directive 1 under E.O. 14024, wherein the Acting Director of OFAC, in consultation with the Department of State, determined that the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, and the Ministry of Finance of the Russian Federation are political subdivisions, agencies, or instrumentalities of the Government of the Russian Federation, and that certain activities by U.S. financial institutions that are specified in Directive 1 involving such entities are prohibited as of June 14, 2021. The text of Directive 1 under E.O. 14024 is provided below.

## **OFFICE OF FOREIGN ASSETS CONTROL**

### **Directive 1 Under Executive Order of April 15, 2021**

#### **Blocking Property with Respect to Specified Harmful Foreign Activities of the Government of the Russian Federation**

Pursuant to sections 1(a)(iv), 1(d), and 8 of Executive Order of April 15, 2021, “Blocking Property with Respect to Specified Harmful Foreign Activities of the Government of the Russian Federation” (the “Order”), the Acting Director of the Office of Foreign Assets Control has determined, in consultation with the Department of State, that the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, and the Ministry of Finance of the Russian Federation are political subdivisions, agencies, or instrumentalities of the Government of the Russian Federation, and that the following activities by a U.S. financial institution are prohibited as of June

14, 2021, except to the extent provided by law or unless licensed or otherwise authorized by the Office of Foreign Assets Control:

- (1) participation in the primary market for ruble or non-ruble denominated bonds issued after June 14, 2021 by the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, or the Ministry of Finance of the Russian Federation; and
- (2) lending ruble or non-ruble denominated funds to the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, or the Ministry of Finance of the Russian Federation.

For purposes of this Directive, the term “U.S. financial institution” means any U.S. entity (including its foreign branches) that is engaged in the business of accepting deposits, making, granting, transferring, holding, or brokering loans or other extensions of credit, or purchasing or selling foreign exchange, securities, commodity futures or options, or procuring purchasers and sellers thereof, as principal or agent. The term includes depository institutions, banks, savings banks, trust companies, securities brokers and dealers, futures and options brokers and dealers, forward contract and foreign exchange merchants, securities and commodities exchanges, clearing corporations, investment companies, employee benefit plans, and U.S. holding companies, U.S. affiliates, or U.S. subsidiaries of any of the foregoing. This term includes those branches, offices, and agencies of foreign financial institutions that are located in the United States, but not such institutions’ foreign branches, offices, or agencies.

All other activities with the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, or the Ministry of Finance of the Russian Federation, or involving their property or interests in property are permitted, provided such activities are not otherwise prohibited pursuant to the Order, or any other sanctions program implemented by the Office of Foreign Assets Control.

Except to the extent otherwise provided by law or unless licensed or otherwise authorized by the Office of Foreign Assets Control, the following are also prohibited:

(1) any transaction that evades or avoids, has the purpose of evading or avoiding, causes a violation of, or attempts to violate any of the prohibitions contained in this Directive; and (2) any conspiracy formed to violate any of the prohibitions in this Directive.

April 15, 2021.

Dated: June 30, 2021.

**Bradley T. Smith,**

*Acting Director, Office of Foreign Assets Control.*

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